Implementation of SEZ project at Mangalore

193. SHRI JANARDHANA POOJARY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact to wards implementation of the Special Economic Zone Project at Mangalore, Karnataka, ONGC proposes to divide various aspects of the projects among various other public sector oil and power companies;

(b) if so, the details in this regard;

(c) whether it is also a fact that this exercise would result in cost escalation and time overrun; and

(d) if so, what actions are proposed to be taken to ensure adherence to time schedule and cost factor?

THE MINISTER OF PETROLEUM AND NATRUAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) It has decided that Mangalore Refinery & Petrochemicals Ltd. (MRPL) will be the implementing agency for the projects in the SEZ at Mangalore, and ONGC will process proposals/ recommendations of MRPL related to this project and after approval. provide finances and guarantees as required and requested by MRPL.

(c) and (d) The various components of the project are yet to be appraised and finalized. Therefore, the question of time and cost over runs does not arise at this stage.

Impact of revision in duties on oil companies

194. SHRI YASHWANT SINHA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the tax burden has increased by Rs. 2.52 per litre on petrol and Rs. 1.53 per litre on diesel as a result of the changes in the excise duty in the last Budget;

(b) whether the increase in road cess from Rs. 1.50 to Rs. 2.00 per litre on petrol and diesel has further added to the tax burden on these products; and

(c) the financial burden cast per months on the public sector sector oil companies as a result of these changes in taxes?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) For petrol, the impact of duty changes (both custom and excise including road cess announced during Budget of 2005-06) necessitated a net increase of Rs. 2.20/litre at Delhi Similarly, for diesel the impact of duty changes required a net increase of Rs. 1.06/litre at Delhi. The impact of Budget changes regarding petrol and diesel on oil companies is estimated to be Rs. 521 crore per month (based on April 2005 sales volumes).

Policy on acquisition of overseas oil equity

195. SHRI YASWANT SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government are following an aggressive policy of acquiring oil equity abroad; and

(b) if so, the concrete results achieved so far?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Given the increasing gap between the demand for and the domestic availability of crude oil and natural gas, it has become essential in the interests of energy security to step up efforts overseas in search of equity oil and gas. Towards this end, and in keeping with the objectives of the National Common Minimum Programme, ONGC Videsh Ltd. (OVL) as well as other national oil companies such as Indian Oil Corporation Ltd. (IOC), Oil India Ltd. (OIL) and Gail (India) Ltd. (GAIL) have been pursuing the acquisition of equity oil, as well as oil and gas exploration acreages and producing properties abroad. These companies have already acquired participating interests in oil and gas projects located in Vietnam, Sudan, Russia, Iran, Iraq, Myanman, Libya, Syria, Australia, Ivory Coast, Qatar and Egypt.

Block 0.61 in Vietnam and the Greater Nile Oil Project (GNOP) in Sudan are producing gas and oil respectively. During the year 2004-05, OVL produced about 5 Million Metric Tonnes (MMT) of oil and oil equivalent gas (0+OEG) from their Vietnam and Sudan Projects. The production of O+OEG